

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

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FM AMEMBASSY QUITO

TO SECSTATE WASHDC 2006

INFO AMCONSUL GUAYAQUIL

AMEMBASSY MEXICO

C O N F I D E N T I A L QUITO 7561

E.O. 11652: GDS

TAGS: EAGE EC

SUBJ/CONSULTATIONS OF SEPTEMBER MEETING OF THE LATIN AMERICAN AND
CARIBBEAN SUGAR EXPORTING COUNTRIES (GEPLACEA)

1. THE EMBASSY HAS OBTAINED FROM LOCAL CONTACTS IN THE
ECUADOREAN SUGAR INDUSTRY A COPY OF A CIRCULAR SENT TO ALL
ECUADORAN SUGAR MILLS BY AN OFFICIAL OF THE ECUADOREAN
MINISTRY OF INDUSTRIES, COMMERCE AND INTEGRATION. THE FULL
TEXT OF THE LETTER (IN THE EMBASSY'S INFORMAL TRANSLATION),
DATED OCTOBER 18, 1976, IS PRESENTED BELOW:

2. "THE COMMERICAL SERVICE OF ECUADOR IN MEXICO HAS SENT
TO THIS MINISTRY A LETTER NO. SC-27-76 OF SEPTEMBER 10, 1976,
TO REPORT ON THE MEETING CALLED BY THE SUGAR EXPORTING
COUNTRIES OF LATIN AMERICA AND THE CARIBBEAN FOR THE
PURPOSE OF REVIEWING THE PRESENT SITUATION OF THE SUGAR
MARKET.

3. "THE CONCLUSIONS REACHED AT THAT MEETING ARE RELATED TO
A NUMBER OF RECOMMENDATIONS PREPARED BY THE SECRETARIAT
FOR THE PURPOSE OF PROTECTING THE SITUATION OF THE SUGAR
PRODUCING COUNTRIES, AND IT IS SUGGESTED THAT, IF POSSIBLE,
THEY SHOULD BE CARRIED OUT TILL THE END OF THE PRESENT SUGAR
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YEAR. THESE RECOMMENDATIONS ARE AS FOLLOWS:

(1) NOT TO MAKE SALES AT AUCTION.

(2) THOSE COUNTRIES WHICH ARE IN A POSITION TO EXPORT BOTH WHITE AND BROWN SUGAR SHOULD INCREASE THE WHITE SUGAR PORTION AND REDUCE THEIR OFFERS OF BROWN SUGAR.

(3) NOT TO SELL TO OPERATORS WITHOUT DETERMINING THE FINAL DESTINATION.

(4) THE DEMAND BY THE U.S. REFINERS IS SMALL, AND A LACK OF INTEREST IN BUYING, IN OTHER CASES, HAS BROUGHT ABOUT SALES OF BROWN SUGAR AT PRICES WHICH DO NOT COVER FREIGHT CHARGES, INSURANCE AND TARIFF DUTIES, WHICH AS RESULTED IN SALES AT F.O.B. LEVELS WHICH ARE BELOW THE QUOTATIONS IN THE NEW YORK CONTRACT NO. 11. THEREFORE, FOR SALES WITH DELIVERY PERIODS OF 30 DAYS AFTER SALES, THE SPOT PRICE SHOULD BE TAKEN AS A MINIMUM. AND FOR EXPORTS WITH DELIVERY PERIODS LONGER THAN 30 DAYS AFTER SALES, A PRICE SHOULD BE OBTAINED WHICH IS AT LEAST EQUIVALENT TO FUTURE POSITIONS CORRESPONDING TO THE DELIVERY PERIODS.

(5) AVOID, AS FAR AS POSSIBLE, ALL SALES ON THE BASIS OF AVERAGE PRICES.

(6) SELLING OPERATIONS SHOULD BE CARRIED OUT AS DISCREETLY AS POSSIBLE, ONLY CONSIDERING THE PUBLICIZING OF THOSE HAVING AN UPWARD TREND.

(7) RECOMMEND THOSE MEMBER COUNTRIES WITH BROWN SUGAR AVAILABLE FOR SELLING AND SHIPPING DURING THE PERIOD SEPTEMBER/DECEMBER, TO AVOID, AS FAR AS POSSIBLE, SELLING AT THE CURRENT PRICES."
BLOOMFIELD

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Disposition Date: 28 MAY 2004
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